

Regular Session, 2010

HOUSE BILL NO. 338

BY REPRESENTATIVE MONICA

INSURANCE COMMISSIONER: Provides relative to regulation of home service contract providers by the commissioner of insurance

1 AN ACT

2 To amend and reenact R.S. 22:1806.2(7) and 1806.3(G) and to enact R.S. 22:1806.1(B)(4),
3 relative to regulation of home service contract providers by the commissioner of
4 insurance; to provide for definitions; to provide for exemptions; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1806.2(7) and 1806.3(G) are hereby amended and reenacted and
8 R.S. 22:1806.1(B)(4) is hereby enacted to read as follows:

9 §1806.1. Scope and purpose

10 * * *

11 B. The following shall be exempt from this Part:

12 * * *

13 (4) Contracts sold or offered for sale on a single new item of property at the
14 time of the sale of the property or within one year of the date of the sale which
15 guarantees the performance of the service, repair, replacement, or maintenance of the
16 property or guarantees to indemnify for the service, repair, replacement, or
17 maintenance of a single item of residential property.

18 * * *

1 §1806.2. Definitions

2 As used in this Part:

3 * * *

4 (7) "Provider" means a person ~~who administers, issues, makes, provides,~~
 5 ~~sells, or offers to sell a home service contract or~~ who is contractually obligated to
 6 provide ~~service~~ the services or to provide indemnification under a home service
 7 contract, ~~such as sellers, administrators, and other intermediaries.~~

8 * * *

9 §1806.3. Requirements for doing business

10 * * *

11 G. Except for the registration requirements of this Section, providers ~~and~~
 12 ~~related home service contract sellers, administrators, and other persons marketing,~~
 13 ~~selling, or offering to sell , administrators, and persons marketing, selling, or offering~~
 14 to sell home service contracts are exempt from any licensing requirements of this
 15 state and shall not be subject to other registration information or security
 16 requirements.

17 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Monica

HB No. 338

Abstract: Provides relative to regulation of home service contract providers by the commissioner of insurance, including definitions and exemptions.

Present law generally requires home service contract providers to register with the commissioner of insurance.

Proposed law changes such regulation by the commissioner, as follows:

- (1) Present law specifically exempts the following from present law: warranties, maintenance agreements, and service contracts sold or offered for sale to persons other than consumers.

Proposed law additionally exempts contracts sold or offered for sale on a single new item of property at the time of the sale of the property or within one year of the date of the sale which guarantees the performance of the service, repair, replacement, or

maintenance of the property or guarantees to indemnify for the service, repair, replacement, or maintenance of a single item of residential property.

- (2) Present law defines a "provider" as a person who administers, issues, makes, provides, sells, or offers to sell a home service contract or who is contractually obligated to provide service under a service contract such as sellers, administrators, and other intermediaries.

Proposed law limits a "provider" to a person who is contractually obligated to provide the services or to provide indemnification under a home service contract. Also, specifies that except for the registration requirements of present law, providers, administrators, and persons marketing, selling, or offering to sell home service contracts are exempt from the requirements of the state.

(Amends R.S. 22:1806.2(7) and 1806.3(G); Adds R.S. 22:1806.1(B)(4))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Made technical changes.
2. Specified that the exemption in proposed law is applicable to contracts sold or offered for sale on a single new item of property.
3. Removed a proposed change to the definition of home service contract which would have included property installed at a specific residential address.
4. Specified that except for the registration requirements of present law, providers, administrators, and persons marketing, selling, or offering to sell home service contracts are exempt from the requirements of this state.